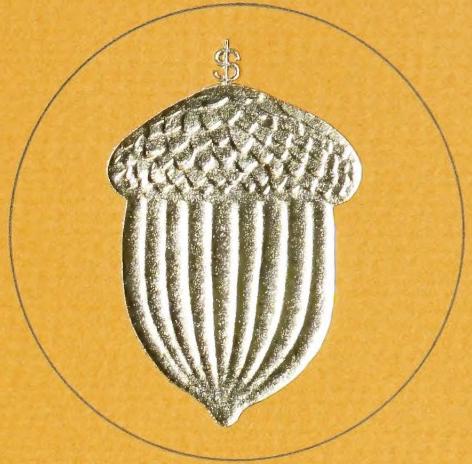


AR11



The Metropolitan Trust Company

annual report 1971





The Metropolitan Trust Company

DIRECTORS

*RUDOLF V. FRASTACKY

Chairman of the Board—The Metropolitan Trust Company

*T. STEWART RIPLEY

President and General Manager—The Metropolitan Trust Company

*JAN DUINKER

Vice-President—The Metropolitan Trust Company

President—Netherlands Overseas Corporation Canada Limited

LOUIS G. ALLEN

Executive Vice-President—Manufacturers National Bank of Detroit

JOHN D. BRADLEY

President—Bradley Farms Limited

JOSEPH A. N. CHIAPPETTA, Q.C.

Barrister and Solicitor—Gambin, Bratty, Chiappetta, Morassutti & Caruso

THE HON. DOUGLAS S. HARKNESS, P.C., G.M., E.D., B.A.

Member of the Canadian House of Commons

*ROBERT K. McCONNELL

President—McConnell & Company Limited

DR. FRANZ MAIER

Bank Director and Member of the Board of Management—Bayerische Gemeindebank Girozentrale

NIKOLAUS von NIESSEN

Manager—Credit Suisse (Canada) Limited

HARRY T. O'NEILL

Retired

*J. JACQUES PIGOTT

Executive Vice-President—Pigott Construction Company Limited

FRIEDRICH SIMON

Chairman of the Board—Bankhaus Friedrich Simon, Düsseldorf, Germany

*LAWRENCE W. SKEY

Treasurer and Director—Scudder International Investments Limited

SENATOR, THE HON. RICHARD J. STANBURY, Q.C.

Barrister and Solicitor—Hollingworth and Stanbury

DR. HANS HEINRICH RITTER von SRBIK

General Partner—Bankhaus H. Aufhauser, Munich, Germany

*Members of Executive Committee

OFFICERS

Chairman of the Board — Rudolf V. Frastacky

President and General Manager — T. Stewart Ripley

Vice-President — Jan Duinker

Vice-President — Administration — A. Jack Russell

Vice-President — Mortgages — J. Malcolm Wreden

Assistant Vice-President — Branch Operations — Frank P. Benner

Assistant Vice-President — International Division — Aloysius G. Vuk

Secretary-Treasurer — Lloyd B. Will

Assistant Secretary — Marion K. Greer

Assistant Treasurer — Edwin J. Carter, C.A.

Controller — W. James Clarke, C.A.

You'd scarce expect one of my age
To speak in public on the stage;
And if I chance to fall below
Demosthenes or Cicero,
Don't view me with a critic's eye,
But pass my imperfections by.
Large streams from little fountains flow,
TALL OAKS FROM LITTLE ACORNS GROW.

David Everett
1791



PRESIDENT'S REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors I am pleased to submit the 1971 Annual Report of your Company.

This is our tenth annual report, and since the report issued for the year 1962, the story of the company is one of continued well planned and profitable growth. This growth has resulted in the company becoming firmly established among the major trust companies in Canada, and this, in only 9 full years of operation is an achievement of which the shareholders, directors and staff can be justifiably proud.

FINANCIAL STATEMENTS

The statements reflect the operations of The Metropolitan Trust Company, International Savings and Mortgage Corporation, Canadian First Mortgage Corporation (acquired June 30, 1971) and Metco Investments Limited, which commenced business in April, 1971. This latter company (Metco) is concerned solely with the management of investments in Canada, and through a subsidiary in the United States, for a major European client of The Metropolitan Trust Company.

In accordance with the recommendations of the Canadian Institute of Chartered Accountants, we have made some changes in our accounting presentation. Premiums received on shares issued (less applicable expenses) have been shown as contributed surplus. In prior years these premiums were included in the reserve fund.

In prior years accrued interest was grouped with the investments, deposits and borrowings to which it related. In 1971 such amounts have been reported separately.

The 1970 comparative figures have been restated to correspond with the 1971 basis of presentation.

EARNINGS

Revenue increased to \$13,984,963 from \$12,046,535. Earnings before taking into account profits on sales of securities and the extraordinary income tax credit resulting from the tax loss carry-forward of York Trust (with which the company merged in 1968) amounted to \$734,054, or \$1.82 per share for the year 1971, compared with \$422,837 or \$1.11 per share for the year 1970.

Net earnings amounted to \$1,246,454 or \$3.09 per share compared with \$793,710 or \$2.08 per share for the comparative period of 1970.

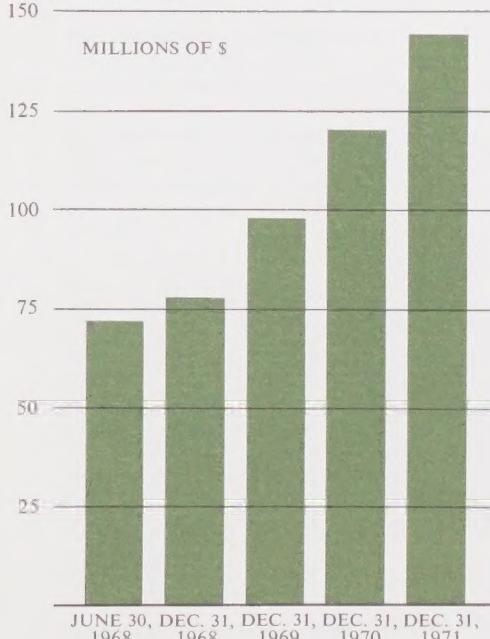
Profits on sales of securities amounted to \$87,400 or 22¢ per share compared with \$107,873 or 28¢ per share in 1970. The extraordinary credit of \$425,000 or \$1.05 per share compared with \$263,000 or 69¢ per share in 1970. As in previous years income taxes have been based on the income that would have been subject to tax without the benefit of the loss carry-forward of York Trust and Savings Corporation. The tax reduction resulting from the carry-forward of these losses has been shown as an extraordinary credit in the statement of earnings.

DIVIDENDS

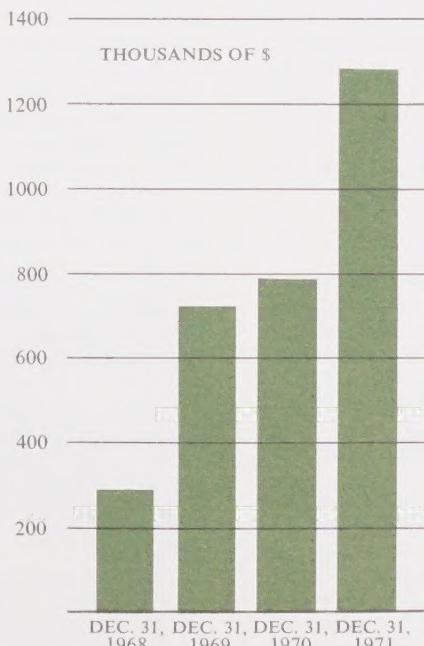
Dividends of 30¢ per share were paid on February 15, 1971 and on August 16, 1971. In February 1972, the directors placed the company on a quarterly dividend basis, and a dividend was paid on February 15, 1972 of 20¢ per share, and your directors declared a further dividend of 20¢ per share payable on May 15, 1972.

If the level of these payments is maintained, which we expect to do if earnings warrant, there would be a 33½% increase over dividends paid in 1971.

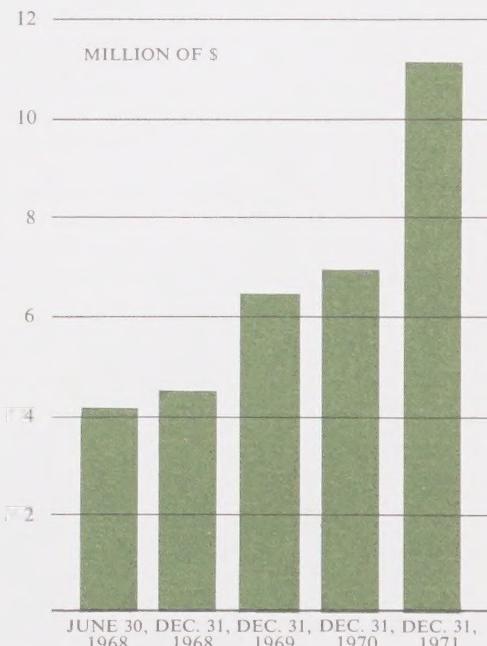
GROWTH OF DEPOSITS
(cumulative)



NET EARNINGS



SHAREHOLDERS' EQUITY





REPORT TO SHAREHOLDERS (*continued*)

ASSETS

Total capital and guaranteed account assets increased to \$160.5 million at December 31, 1971, from \$143.8 million at December 31, 1970. Included in the total assets at the end of 1971 are \$110 million in mortgage loans and \$25 million in cash and short term investments. Following the trend in our industry, we have not included estates, trusts and agencies assets under administration on our company's Balance Sheet. Total assets including estates, trusts and agencies now exceed \$600 million.

GUARANTEED ACCOUNT

The guaranteed account increased to \$149 million at December 31, 1971 compared with \$136 million at December 31, 1970. Deposits from the public grew by \$26 million or 22%, however the guaranteed account showed an increase of only \$13 million because of the prepayment of the special guaranteed funds of \$13.4 million, representing a loan to York Trust and Savings Corporation secured by a pledge of NHA mortgages. This loan was prepaid on April 30, 1971.

SHAREHOLDERS' EQUITY

Shareholders' equity at book value amounted to \$11.2 million or \$19.61 per share at December 31, 1971 compared with \$7.2 million or \$18.92 per share at December 31, 1970.

On June 30, 1971 we purchased 98,899 shares of Canadian First Mortgage Corporation, which together with 20,000 shares previously owned gives us a 99% holding. In consideration for these shares we issued 21,051 fully paid shares of our company at a value of \$19.00 per share. In June we issued 163,558 new shares as a result of a Rights Offering to our shareholders. Over 99% of the Rights were exercised resulting in net proceeds to the company of \$2.5 million.

BRANCH OPERATIONS and SUBSIDIARIES

The consolidation with York Trust and Savings Corporation and Kent Trust has now been substantially completed, and aided by the generally more favourable interest relationship, this area of the company's operations has become a substantial contributor to company profits, and is expected to be increasingly so in the future. The growth of International Savings and Mortgage Corporation continues to be most encouraging. Deposits increased from \$16 million to \$25 million during the year, or a 56% increase.

Canadian First Mortgage Corporation, which was acquired in June of last year is marketing its savings certificates through the branch system of the trust company in all provinces, except Quebec, where International Savings and Mortgage Corporation has three branches. The public acceptance of the mortgage certificates sold by International Savings, we feel sure will

apply equally as well to Canadian First Mortgage Corporation's debt instruments.

MORTGAGE DEPARTMENT

Funds totalling \$67 million were placed by the mortgage department during 1971 for the company's own account and on behalf of its clients.

Direct mortgage lending continues to be the company's single most important investment medium. In addition to investing the company's own funds in mortgages, the company because of its competence has been selected as correspondent or agent by an increasing number of pension funds and institutions, including some of the largest insurance companies in the United States.

Your company now administers a mortgage portfolio of 8,669 accounts with a total dollar value of \$244 million. This provides continuing income to the company from mortgage administration fees.

INTERNATIONAL DIVISION

Our International Real Estate Department continues to be a major contributor to our earnings. The company purchased on behalf of non-resident clients \$70 million of real estate during the year. Most of the properties acquired by the company for its non-resident accounts continued to be managed by the company through its Property Management Department, and the growth in this department's income from management fees for 1971 increased by 30% over 1970. The total rentals collected by this department during the year were approximately \$15 million.

Under the direct management of this department are some 6000 apartment and townhouse units, commercial and industrial buildings, office buildings, shopping centres and farms, plus numerous indirect management situations.

As a matter of interest, your company manages more than 1/3 of all the real estate managed by all of the trust companies registered in the Province of Ontario.

DOMESTIC REAL ESTATE

In addition to the specialized real estate investment services provided by our International Division, your company has been expanding into the general brokerage area. There are now 3 offices in Vancouver, 7 in Toronto, 4 in Western Ontario and 1 in Montreal. The company has acquired affiliates known as the "Metro Group" to extend coverage to include 15 other Ontario centres plus Winnipeg, Calgary and Edmonton. This planned national coverage will improve referral and employee assistance programs. Commercial, industrial, investment and appraisal divisions are all active with tax changes stimulating volumes.

The sales staff now totals over 100, plus qualified experts in each specialty. Inclusion of the Metro Group more than trebles the staff available to our clients.



TRUST OPERATIONS

The Trust Department is continuing to show very satisfactory growth. Gross revenue more than doubled over 1970, reflecting this growth trend. In 1971 the company was appointed Trustee for a major pension plan. An adjustment in the fee schedule for stock transfer services, and a rise in the number of appointments as Executor or Administrator of Estates, together with a planned expansion of our stock transfer facilities to Montreal and Vancouver will result in an estimated increase in gross revenue in this area of the company's activities by more than 100% for 1972.

MARKETING

In 1971 the emphasis was placed on the obtaining of new accounts in the Savings and Chequing area, with considerable success. During 1972 additional emphasis will be placed in the cross-selling of our various services through the use of direct mail advertising.

DATA PROCESSING

The utilization of our Data Processing facilities was increased throughout this year. While keeping expenditures below that of the industry average, this department effectively serviced the Mortgage Department, Property Management Department, and the Marketing Department, among others.

PERSONNEL

It is essential to the company's success to develop and maintain a high level of staff efficiency. Because of the highly specialized nature of the trust company business, there is no adequate external training facilities available, so we are in the process of developing an in-house program for the training of new employees and the development of existing employees to train them for more senior positions.

OUTLOOK

Metropolitan Trust along with the other members of our industry benefited in 1971 from the economic conditions which were favourable for deposit and mortgage loan activities during this period. Demand for loans increased as rates moderated, and a more normal relationship was established between rates of interest paid and received.

The Canadian financial outlook would suggest that interest rates would continue their downward slide throughout most of 1972, however, the prospect of rising long-term rates in the United States and the accelerating price increases in Canada by mid-year suggest that long-term interest rates in Canada will come under moderate upward pressure during the latter half of the year.

Most sectors of the economy are expected to show substantial gains in 1972, however, the impediment to continued expansion over the longer period is the renewed threat of

inflation, the uncertainties as to the progress in the fight against unemployment, the uncertainties as to the final shape of the new government bills on competition and labour legislation.

Despite the present uncertainties, 1972 should still see real growth advancing by between 5.5% to 6% over 1971 levels.

The outlook for our company is generally favourable. The rate of increase is not expected to be as great as for 1971, but we are confident that 1972 will be a year which will show growth in earnings, continuing the trend established by the company nearly 10 years ago when we first opened our doors for business on November 6th, 1962.

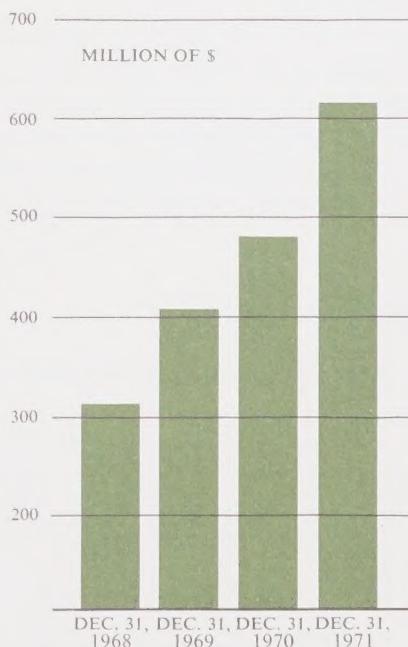
This report would be incomplete if we closed without acknowledging the contributions of over 380 members of the company's staff, who through their efforts made it possible to report to you a record year of achievement.

Respectfully submitted,

T. S. Ripley
President and General Manager.

Toronto, February 18th, 1972.

TOTAL ASSETS





The Metropolitan Trust Company

(Incorporated under The Loan and Trust Corporations Act of Ontario)

and its subsidiaries

CONSOLIDATED BALANCE SHEET DECEMBER 31, 1971

(with comparative figures at December 31, 1970)

ASSETS	1971	1970
Cash and bank deposit receipts.....	\$ 15,894,451	\$ 7,261,009
Short-term investments.....	8,773,872	11,491,332
 Bonds:		
Government of Canada and Provincial.....	15,334,037	12,813,338
Municipal and corporate.....	6,277,299	4,800,004
Total, at amortized cost (market value 1971—\$20,810,000; 1970—\$16,038,000).....	21,611,336	17,613,342
 Stocks, at cost (market value 1971— \$475,000; 1970—\$319,000).....	464,348	311,111
Advances on mortgages to be resold.....	989,758	1,689,503
Secured loans.....	229,231	232,778
Fees, commissions and other receivables.....	482,105	545,651
Mortgage loans, at amortized cost.....	109,997,338	102,909,541
Interest accrued on investments (note 8).....	1,545,432	1,288,748
Premises, equipment and leasehold improvements, at cost less accumulated depreciation and amortization of \$904,570 (1970—\$799,975).....	583,872	547,196
	 <u>\$160,571,743</u>	<u>\$143,890,211</u>

(See accompanying notes to consolidated financial statements)



LIABILITIES AND SHAREHOLDERS' EQUITY	1971	1970
Deposits and borrowings (note 2):		
Savings and chequing deposits.....	\$ 60,430,657	\$ 42,549,464
Term deposits.....	10,845,373	12,607,724
Investment certificates.....	75,284,899	65,562,819
Special guaranteed funds.....	—	13,404,576
	146,560,929	134,124,583
Interest accrued on deposits and borrowings (note 8).....	2,184,083	2,195,335
Sundry accrued liabilities.....	551,687	322,816
Deferred income taxes.....	41,000	—
	149,337,699	136,642,734
Shareholders' equity:		
Capital stock (note 3)—		
Authorized: 1,000,000 shares of \$10 par value each		
Issued: 572,811 shares (1970—382,865).....	5,728,110	3,828,650
Contributed surplus (note 8).....	2,220,009	1,143,563
Reserve fund (note 8).....	2,169,210	1,756,437
Retained earnings.....	1,116,715	518,827
	11,234,044	7,247,477
	<u>\$160,571,743</u>	<u>\$143,890,211</u>

On behalf of the Board:

RUDOLF V. FRASTACKY,
Chairman of the Board

T. STEWART RIPLEY,
President and General Manager

The Metropolitan Trust Company *and its subsidiaries*

CONSOLIDATED STATEMENT OF EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1971
 (with comparative figures for the year ended December 31, 1970)

Income:

	1971	1970
Interest on mortgages.....	\$ 9,098,073	\$ 7,380,416
Interest and dividends on bonds, stocks and short-term investments.....	2,501,587	2,731,220
Fees and commissions.....	2,385,303	1,934,899
	<u>13,984,963</u>	<u>12,046,535</u>

Expense:

Interest on deposits and borrowings.....	8,549,026	8,209,423
Salaries and staff benefits.....	2,389,004	1,942,918
Depreciation.....	119,215	125,814
Other operating expenses.....	1,737,664	1,191,543
	<u>12,794,909</u>	<u>11,469,698</u>

Earnings before income taxes.....	1,190,054	576,837
Income taxes (note 4).....	456,000	154,000
Earnings before profits on sales of securities.....	734,054	422,837
Profits on sales of securities (less related income taxes of \$29,000 in 1971; \$109,000 in 1970) (note 4).....	87,400	107,873
Earnings before extraordinary credit.....	821,454	530,710
Extraordinary credit—reduction in income taxes resulting from loss carry-forward (note 4).....	425,000	263,000
Net earnings.....	<u>\$ 1,246,454</u>	<u>\$ 793,710</u>

Earnings per share, based on the weighted average number of shares outstanding—

Earnings before profits on sales of securities.....	\$1.82	\$1.11
Profits on sales of securities.....	.22	.28
Extraordinary credit.....	1.05	.69
Net earnings.....	<u>\$3.09</u>	<u>\$2.08</u>

CONSOLIDATED STATEMENTS OF CONTRIBUTED SURPLUS, RESERVE FUND AND RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1971
 (with comparative figures for the year ended December 31, 1970)

CONTRIBUTED SURPLUS

	1971	1970
Balance, beginning of year, as restated (note 8).....	\$1,143,563	\$1,121,495
Premiums received on shares issued (note 3).....	1,176,369	22,068
Less expenses of rights issue, net of applicable income tax credits of \$19,000	(99,923)	—
Balance, end of year.....	<u>\$2,220,009</u>	<u>\$1,143,563</u>

RESERVE FUND

Balance, beginning of year, as restated (note 8).....	\$1,756,437	\$1,178,505
Add transfer from retained earnings.....	412,773	577,932
Balance, end of year.....	<u>\$2,169,210</u>	<u>\$1,756,437</u>

RETAINED EARNINGS

Balance, beginning of year.....	\$ 518,827	\$ 532,070
Add net earnings.....	1,246,454	793,710
	<u>1,765,281</u>	<u>1,325,780</u>

Deduct:

Dividends.....	235,793	229,021
Transfer to reserve fund.....	412,773	577,932
	<u>648,566</u>	<u>806,953</u>
Balance, end of year.....	<u>\$1,116,715</u>	<u>\$ 518,827</u>

(See accompanying notes to consolidated financial statements)

The Metropolitan Trust Company *and its subsidiaries*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1971

1. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the company and its subsidiaries, International Savings and Mortgage Corporation, Canadian First Mortgage Corporation and Metco Investments Limited.

Effective June 30, 1971, the company acquired 98,899 shares of Canadian First Mortgage Corporation as a result of a share exchange offer which, together with the 20,000 shares previously owned, gives the company ownership of 98.94% of the shares outstanding. As consideration for the 98,899 shares acquired, the company issued 21,051 fully paid shares at a price of \$19 per share. The acquisition has been accounted for as a purchase and the results of operations of Canadian First Mortgage Corporation are included from July 1, 1971. Particulars of the net assets acquired are as follows:

Book value of assets.....		\$4,422,976
Book value of liabilities.....		<u>3,158,152</u>
		1,264,824
Adjustments of assets to fair values at date of acquisition		
Bonds and mortgages.....	744,425	
Stocks.....	<u>96,131</u>	840,556
Net assets at fair value (including \$3,583 applicable to the minority interest).....		<u>\$ 424,268</u>

The difference between the fair value (cost) of the bonds and mortgages acquired and their principal amount is being amortized over the remaining term to maturity of the individual securities. Such amortization amounted to approximately \$28,000 in 1971.

2. GUARANTEED TRUST ACCOUNT

Included in total assets of \$160,571,743 as at December 31, 1971, are assets held for guaranteed trust account of \$121,593,942 securing guaranteed trust liabilities of \$121,593,942 (consisting of savings deposits of \$54,455,202, term deposits of \$10,724,385 and investment certificates of \$56,414,355).

Total deposits and borrowings of \$146,560,929 consist of guaranteed trust liabilities of \$121,593,942 and deposits and certificates of International Savings and Mortgage Corporation of \$24,966,987.

3. CAPITAL STOCK

During 1971, 189,946 shares of the company's capital stock were issued as follows:

	Number of Shares	Issue Price	Credited to Capital Stock	Contributed Surplus
In consideration for 98,899 shares of Canadian First Mortgage Corporation.....	21,051	\$19	\$ 210,510	\$ 189,459
On exercise of rights granted to shareholders to purchase 2 shares for each 5 shares held.....	163,558	16	1,635,580	981,348
On exercise of options.....	5,312	11	53,120	5,312
	25	20	250	250
	<u>189,946</u>		<u>\$1,899,460</u>	<u>\$1,176,369</u>

At December 31, 1971, options were outstanding to certain officers to purchase 4,438 shares as follows:

Option Expires	Option Price	Number of Shares
December 17, 1973	\$11.00	4,063
December 31, 1974	\$20.00	375
		<u>4,438</u>

If the share options outstanding were exercised earnings per share would not be materially diluted.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

4. INCOME TAXES

The provisions for income taxes (including income taxes applicable to profits on sales of securities) totalling \$485,000 in 1971 (\$263,000 in 1970) are based on the income which would have been subject to tax without the benefit of the loss carry-forward of York Trust and Savings Corporation and Canadian First Mortgage Corporation. The tax reductions resulting from the carry-forward of these losses are shown as extraordinary credits in the consolidated statement of earnings. At December 31, 1971, additional tax losses of approximately \$490,000 are available for deduction from future years' taxable income.

Included in earnings is amortization of investment securities amounting to \$266,000 in 1971 (\$261,000 in 1970) which is not subject to income tax.

5. LONG-TERM LEASES

The company's head office and branch premises are held under long-term leases extending over the next 15 years. The minimum annual rental payable under all leases currently in force totals \$355,000 and actual rentals paid in 1971 amounted to \$344,181.

6. DIRECTORS' AND OFFICERS' REMUNERATION

Remuneration of directors and senior officers (as defined by the Loan and Trust Corporations Act of Ontario) was as follows for the year 1971:

Directors.....	\$ 24,000
Officers.....	<u>263,000</u>
	<u>\$287,000</u>

7. COMMITMENTS AND CONTINGENCIES

The company is defendant in an action for damages of approximately \$200,000 in connection with a transaction of the former York Trust and Savings Corporation. The company's solicitors are of the opinion that the company has a good defence to the action.

The company is defendant in an action for damages of approximately \$571,000 in connection with a real estate property transaction. The action is being defended and the company is of the opinion that its liability, if any, can not be material.

In addition, there are outstanding various commitments and contingent liabilities in the normal course of business such as guaranteed commitments to extend credit. The company does not anticipate losses as a result of such commitments or contingencies.

8. CHANGES IN ACCOUNTING PRESENTATION

The following changes in accounting presentation were made in 1971:

- Accrued interest on investments, deposits and borrowings has been disclosed separately. In prior years such interest was grouped with the investments, deposits and borrowings to which it related.
- Premiums received on shares issued (less applicable expenses) have been shown as contributed surplus. In prior years, these premiums were included in the reserve fund.

The 1970 comparative figures have been restated to correspond with the 1971 basis of presentation.

AUDITORS' REPORT

To the Shareholders of The Metropolitan Trust Company:

We have examined the consolidated balance sheet of The Metropolitan Trust Company and its subsidiaries as at December 31, 1971 and the consolidated statements of earnings, contributed surplus, reserve fund and retained earnings for the year then ended, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of The Metropolitan Trust Company and its subsidiaries as at December 31, 1971 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
February 18, 1972.

CLARKSON, GORDON & CO.
Chartered Accountants

SERVICES

The rapid and continually expanding range of services offered by The Metropolitan Trust Company, as well as the dollar volume of business reflected in this report are an accurate reflection of the phrase from David Everett's poem
"TALL OAKS FROM LITTLE ACORNS GROW."

It is the objective of your company's management and board of directors to encourage the expansion of the services listed below commensurate with sound business practice and Canada's growing consumer and corporate financial needs and opportunities.

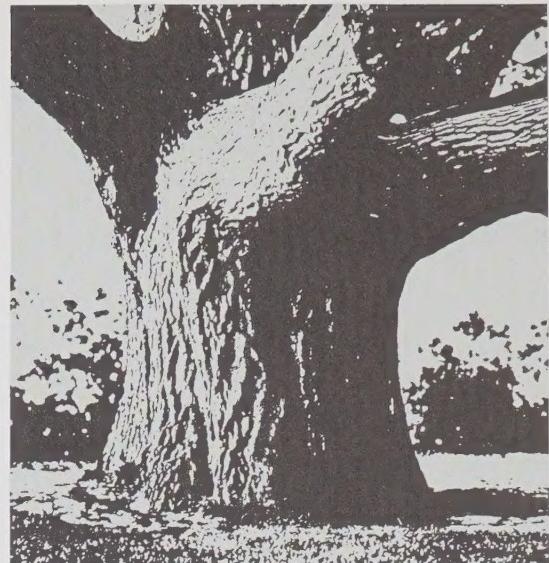
Savings Accounts
Chequing Accounts
Guaranteed Investment Certificates
Savings Certificates
Term Deposits
Personal Loans

Registered Retirement Savings Plans
Estate Planning
Mortgage Financing
Real Estate Sales
Real Estate Counselling and Appraisals
Investment Funds (growth and income funds)

Investment Management Agencies
Trustee For Pension Plans
Corporate Trust Services
Mortgage Correspondent & Servicing Agent
Property Management



TALL OAKS FROM LITTLE ACORNS GROW.



OUR GROWTH IN BRIEF

Assets, Deposits and Borrowings and Equity at December 31

	<u>1971</u>	<u>1970</u>	<u>1969</u>	<u>1968</u>	<u>1967</u>
Total Assets under Administration	<u>\$618,566,000</u>	<u>\$484,000,000</u>	<u>\$406,839,000</u>	<u>\$312,431,000</u>	<u>\$171,586,000</u>
Estates, Trusts and Agencies	<u>\$458,587,000</u>	<u>\$340,000,000</u>	<u>\$287,108,000</u>	<u>\$215,779,000</u>	<u>\$144,968,000</u>
Deposits and Borrowings:					
Savings and term deposits and investment certificates	<u>\$148,745,000</u>	<u>\$122,915,000</u>	<u>\$ 98,659,000</u>	<u>\$ 77,076,000</u>	<u>\$ 23,263,000</u>
Special guaranteed funds	<u>—</u>	<u>13,405,000</u>	<u>13,955,000</u>	<u>14,625,000</u>	<u>—</u>
	<u>\$148,745,000</u>	<u>\$136,320,000</u>	<u>\$112,614,000</u>	<u>\$ 91,701,000</u>	<u>\$ 23,263,000</u>
Shareholders' Equity	<u>\$ 11,234,000</u>	<u>\$ 7,248,000</u>	<u>\$ 6,625,000</u>	<u>\$ 4,562,000</u>	<u>\$ 3,133,000</u>

Earnings

	Year ended December 31,			Six months ended December 31,	Six months ended June 30,	Year ended December 31,
	<u>1971</u>	<u>1970</u>	<u>1969</u>	<u>1968(1)</u>	<u>1968(2)</u>	<u>1967</u>
Earnings before Profits on Sales of Securities	<u>\$ 734,000</u>	<u>\$423,000</u>	<u>\$515,000</u>	<u>\$207,000</u>	<u>\$106,000</u>	<u>\$165,000</u>
Profits on Sales of Securities	<u>87,000</u>	<u>108,000</u>	<u>14,000</u>	<u>70,000</u>	<u>—</u>	<u>—</u>
Earnings before Extraordinary Credit	<u>\$ 821,000</u>	<u>\$531,000</u>	<u>\$529,000</u>	<u>\$277,000</u>	<u>\$106,000</u>	<u>\$165,000</u>
Extraordinary Credit—Tax Reduction	<u>425,000</u>	<u>263,000</u>	<u>223,000</u>	<u>30,000</u>	<u>—</u>	<u>—</u>
Net Earnings	<u>\$1,246,000</u>	<u>\$794,000</u>	<u>\$752,000</u>	<u>\$307,000</u>	<u>\$106,000</u>	<u>\$165,000</u>

Earnings Per Share (3) (4)

Earnings before Profits on Sales of Securities	<u>\$1.82</u>	<u>\$1.11</u>	<u>\$1.53</u>	<u>\$0.72</u>	<u>\$0.42</u>	<u>\$0.68</u>
Earnings before Extraordinary Credit	<u>\$2.04</u>	<u>\$1.39</u>	<u>\$1.57</u>	<u>\$0.96</u>	<u>\$0.42</u>	<u>\$0.68</u>
Net Earnings	<u>\$3.09</u>	<u>\$2.08</u>	<u>\$2.24</u>	<u>\$1.06</u>	<u>\$0.42</u>	<u>\$0.68</u>

NOTES:

- (1) Following the merger with York Trust and Savings Corporation
- (2) Prior to the merger with York Trust and Savings Corporation
- (3) Based on the weighted average number of shares outstanding during the periods
- (4) Per share figures for all periods have been restated to reflect the 2½ for 1 subdivision of shares in April, 1968.



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